

REFERENCE TITLE: **schools; administrative reduction**

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2516

Introduced by
Representatives Court, Ash, Crandall, Hendrix, Pratt: Antenori, Gowan,
Lesko, Montenegro, Murphy

AN ACT

AMENDING SECTION 11-952, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 273, SECTION 2; AMENDING SECTION 11-952, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 273, SECTION 3; AMENDING SECTIONS 15-213, 15-341, 15-342, 15-539, 15-746, 15-843, 15-1152, 15-1224, 15-2002, 38-232, 41-1232.04, 41-1272, 41-2632, 43-1089.02 AND 43-1181, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 11-952, Arizona Revised Statutes, as amended by
3 Laws 2005, chapter 273, section 2, is amended to read:

4 11-952. Intergovernmental agreements and contracts

5 A. If authorized by their legislative or other governing bodies, two
6 or more public agencies or public procurement units by direct contract or
7 agreement may contract for services or jointly exercise any powers common to
8 the contracting parties and may enter into agreements with one another for
9 joint or cooperative action or may form a separate legal entity, including a
10 nonprofit corporation, to contract for or perform some or all of the services
11 specified in the contract or agreement or exercise those powers jointly held
12 by the contracting parties. A CHARTER SCHOOL IS A PUBLIC AGENCY FOR PURPOSES
13 OF THIS SECTION.

14 B. Any such contract or agreement shall specify the following:

15 1. Its duration.

16 2. Its purpose or purposes.

17 3. The manner of financing the joint or cooperative undertaking and of
18 establishing and maintaining a budget therefor.

19 4. The permissible method or methods to be employed in accomplishing
20 the partial or complete termination of the agreement and for disposing of
21 property ~~upon~~ ON such partial or complete termination.

22 5. If a separate legal entity is formed pursuant to subsection A, the
23 precise organization, composition, title and nature of the entity.

24 6. Any other necessary and proper matters.

25 C. No agreement made pursuant to this article shall relieve any public
26 agency of any obligation or responsibility imposed ~~upon~~ ON it by law.

27 D. Except as provided in subsection E, every agreement or contract
28 involving any public agency, board or commission made pursuant to this
29 article ~~shall, prior to~~ BEFORE its execution, SHALL be submitted to the
30 attorney for each such public agency, board or commission, who shall
31 determine whether the agreement is in proper form and is within the powers
32 and authority granted under the laws of this state to such public agency,
33 board or commission.

34 E. A federal department or agency ~~which~~ THAT is a party to an
35 agreement or contract made pursuant to this article is not required to submit
36 the agreement or contract to the attorney for the federal department or
37 agency unless required under federal law.

38 ~~F. Any agreement or contract submitted to the attorney general shall~~
39 ~~be filed with the secretary of state and shall become effective on the date~~
40 ~~provided in the agreement. The secretary of state shall prepare a~~
41 ~~cross-index of the names of all public agencies which coordinate with the~~
42 ~~attorney general and secretary of state and file an agreement under this~~
43 ~~section.~~

44 ~~G. Any agreement or contract submitted to an attorney other than the~~
45 ~~attorney general shall be filed with the secretary of state if the agreement~~

~~affects more than one county and shall be filed with the county recorder if only one county is affected and shall become effective on the date provided in the agreement.~~

~~H.~~ F. Appropriate action by ordinance, ~~OR~~ resolution or otherwise pursuant to the laws applicable to the governing bodies of the participating agencies approving or extending the duration of the agreement or contract shall be necessary before any such agreement, contract or extension may be filed or become effective.

~~I.~~ G. ~~If a school district is a party to an agreement made pursuant to subsection A, the parties to such agreement may extend the duration of the agreement by notification to the secretary of state if the agreement is filed pursuant to subsection F. Such~~ AN agreement ~~OR CONTRACT~~ may be extended as many times as is desirable, but each extension may not exceed the duration of the previous agreement.

~~J.~~ H. Payment for services under this section shall not be made unless pursuant to a fully approved written contract.

~~K.~~ I. A person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment.

~~L.~~ J. Notwithstanding any other provision of law, public agencies may enter into a contract or agreement pursuant to this section with the superior court, justice courts and police courts for related services and facilities of such courts for a term not to exceed ten years, with the approval of such contract or agreement by the presiding judge of the superior court in the county in which the court or courts ~~which~~ THAT provide the facilities or services are located.

~~M.~~ K. A county with a population of more than one million two hundred thousand persons may enter into an intergovernmental agreement with a city or town to allow the city or town to enforce the provisions of the county's ordinances regulating adult entertainment businesses and the county's building codes, excluding the issuance of licenses or permits, in a specified portion of the county. An intergovernmental agreement pursuant to this subsection shall apply only to a portion of a county that is entirely surrounded by one or more cities or towns.

Sec. 2. Section 11-952, Arizona Revised Statutes, as amended by Laws 2005, chapter 273, section 3, is amended to read:

11-952. Intergovernmental agreements and contracts

A. If authorized by their legislative or other governing bodies, two or more public agencies or public procurement units by direct contract or agreement may contract for services or jointly exercise any powers common to the contracting parties and may enter into agreements with one another for joint or cooperative action or may form a separate legal entity, including a nonprofit corporation, to contract for or perform some or all of the services specified in the contract or agreement or exercise those powers jointly held

1 by the contracting parties. A CHARTER SCHOOL IS A PUBLIC AGENCY FOR PURPOSES
2 OF THIS SECTION.

3 B. Any such contract or agreement shall specify the following:

4 1. Its duration.

5 2. Its purpose or purposes.

6 3. The manner of financing the joint or cooperative undertaking and of
7 establishing and maintaining a budget therefor.

8 4. The permissible method or methods to be employed in accomplishing
9 the partial or complete termination of the agreement and for disposing of
10 property ~~upon~~ ON such partial or complete termination.

11 5. If a separate legal entity is formed pursuant to subsection A, the
12 precise organization, composition, title and nature of the entity.

13 6. Any other necessary and proper matters.

14 C. No agreement made pursuant to this article shall relieve any public
15 agency of any obligation or responsibility imposed ~~upon~~ ON it by law.

16 D. Except as provided in subsection E, every agreement or contract
17 involving any public agency, board or commission made pursuant to this
18 article ~~shall, prior to~~ BEFORE its execution, ~~SHALL~~ be submitted to the
19 attorney for each such public agency, board or commission, who shall
20 determine whether the agreement is in proper form and is within the powers
21 and authority granted under the laws of this state to such public agency,
22 board or commission.

23 E. A federal department or agency ~~which~~ THAT is a party to an
24 agreement or contract made pursuant to this article is not required to submit
25 the agreement or contract to the attorney for the federal department or
26 agency unless required under federal law.

27 ~~F. Any agreement or contract submitted to the attorney general shall~~
28 ~~be filed with the secretary of state and shall become effective on the date~~
29 ~~provided in the agreement. The secretary of state shall prepare a~~
30 ~~cross index of the names of all public agencies which coordinate with the~~
31 ~~attorney general and secretary of state and file an agreement under this~~
32 ~~section.~~

33 ~~G. Any agreement or contract submitted to an attorney other than the~~
34 ~~attorney general shall be filed with the secretary of state if the agreement~~
35 ~~affects more than one county and shall be filed with the county recorder if~~
36 ~~only one county is affected and shall become effective on the date provided~~
37 ~~in the agreement.~~

38 ~~H.~~ F. Appropriate action by ordinance, ~~OR~~ resolution or otherwise
39 pursuant to the laws applicable to the governing bodies of the participating
40 agencies approving or extending the duration of the agreement or contract
41 shall be necessary before any such agreement, contract or extension may be
42 filed or become effective.

43 ~~I.~~ G. ~~If a school district is a party to an agreement made pursuant~~
44 ~~to subsection A, the parties to such agreement may extend the duration of the~~
45 ~~agreement by notification to the secretary of state if the agreement is filed~~

~~pursuant to subsection F. Such~~ AN agreement OR CONTRACT may be extended as many times as is desirable, but each extension may not exceed the duration of the previous agreement.

~~J. H.~~ H. Payment for services under this section shall not be made unless pursuant to a fully approved written contract.

~~K. I.~~ I. A person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment.

~~L. J.~~ J. Notwithstanding any other provision of law, public agencies may enter into a contract or agreement pursuant to this section with the superior court, justice courts and police courts for related services and facilities of such courts for a term not to exceed ten years, with the approval of such contract or agreement by the presiding judge of the superior court in the county in which the court or courts ~~which~~ THAT provide the facilities or services are located.

Sec. 3. Section 15-213, Arizona Revised Statutes, is amended to read:

15-213. Procurement practices of school districts and charter schools; definitions

A. The state board of education shall adopt rules prescribing procurement practices for all school districts in this state as follows:

1. The state board shall submit to the auditor general proposed rules consistent with the procurement practices prescribed in title 41, chapter 23, modifying the provisions for public notice of invitation for bids, requests for proposals and requests for qualifications to allow a governing board to give public notice of the invitation for bids, requests for proposals and requests for qualifications by publication in the official newspaper of the county as defined in section 11-255, modifying the provisions relating to disposal of materials to comply with section 15-342, paragraph 18, providing for governing board delegation of procurement authority and modifying as necessary other provisions ~~which~~ THAT the state board determines are not appropriate for school districts. The rules shall include provisions specifying that school districts are not required to engage in competitive bidding in order to make the decision to participate in programs pursuant to section 15-382 and that a program authorized by section 15-382 is not required to engage in competitive bidding for the services necessary to administer the program or for purchase of insurance or reinsurance. The rules for procurement of construction projects shall include provisions specifying that surety bonds furnished as bid security and performance and payment bonds shall be executed and furnished as required by title 34, chapter 2 or 6, as applicable. The rules shall specify the total cost of a procurement that is subject to invitations for bids, requests for proposals and requests for clarification. The state board shall not exceed the aggregate dollar amount limits for procurements prescribed in section 41-2535.

1 2. The state board of education shall adopt rules for procurements
2 involving construction not exceeding one hundred fifty thousand dollars,
3 which shall be known as the simplified school construction procurement
4 program. At a minimum, the rules for a simplified construction procurement
5 program shall require that:

6 (a) A list be maintained by each county school superintendent of
7 persons who desire to receive solicitations to bid on construction projects
8 to which additions shall be permitted throughout the year.

9 (b) The list of persons be available for public inspection.

10 (c) A performance bond and a payment bond as required by this section
11 be provided for contracts for construction by contractors.

12 (d) All bids for construction be opened at a public opening and the
13 bids shall remain confidential until the public opening.

14 (e) All persons desiring to submit bids be treated equitably and the
15 information related to each project be available to all eligible persons.

16 (f) Competition for construction projects under the simplified school
17 construction procurement program be encouraged to the maximum extent
18 possible. At a minimum, a school district shall submit information on each
19 project to all persons listed with the county school superintendent by any
20 school district within that county.

21 (g) A provision, covenant, clause or understanding in, collateral to
22 or affecting a construction contract that makes the contract subject to the
23 laws of another state or that requires any litigation, arbitration or other
24 dispute resolution proceeding arising from the contract to be conducted in
25 another state is against this state's public policy and is void and
26 unenforceable.

27 3. ~~On or before December 31, 2004,~~ The state board of education shall
28 adopt rules for the procurement of goods and information services by school
29 districts and charter schools using electronic, ~~on-line~~ ONLINE bidding. The
30 rules adopted by the state board shall include the use of reverse auctions
31 and shall be consistent with the procurement practices prescribed in title
32 41, chapter 23, article 13, modifying as necessary those provisions and the
33 rules adopted pursuant to that article that the state board determines are
34 not appropriate for school districts and charter schools. Until the rules
35 are adopted, school districts and charter schools may procure goods and
36 information services pursuant to title 41, chapter 23, article 13 using the
37 rules adopted by the department of administration in implementing that
38 article.

39 4. The auditor general shall review the proposed rules to determine
40 whether the rules are consistent with the procurement practices prescribed in
41 title 41, chapter 23 and any modifications are required to adapt the
42 procedures for school districts.

43 5. If the auditor general approves the proposed rules, the auditor
44 general shall notify the state board in writing and the state board shall
45 adopt such rules.

1 6. If the auditor general objects to the proposed rules, the auditor
2 general shall notify the state board of the objections in writing and the
3 state board, in adopting the rules, shall conform the proposed rules to meet
4 the objections of the auditor general or revise the proposed rules to which
5 an objection has been made and submit the revisions to the auditor general
6 for approval.

7 B. After the bids submitted in response to an invitation for bids are
8 opened and the award is made or after the proposals or qualifications are
9 submitted in response to a request for proposals or a request for
10 qualifications and the award is made, the governing board shall make
11 available for public inspection all information, all bids, proposals and
12 qualifications submitted and all findings and other information considered in
13 determining whose bid conforms to the invitation for bids and will be the
14 most advantageous with respect to price, conformity to the specifications and
15 other factors or whose proposal or qualifications are to be selected for the
16 award. The invitation for bids, request for proposals or request for
17 qualifications shall include a notice that all information and bids,
18 proposals and qualifications submitted will be made available for public
19 inspection. The rules adopted by the state board shall prohibit the use in
20 connection with procurement of specifications in any way proprietary to one
21 supplier unless the specification includes all of the following:

22 1. A statement of the reasons why no other specification is
23 practicable.

24 2. A description of the essential characteristics of the specified
25 product.

26 3. A statement specifically permitting an acceptable alternative
27 product to be supplied.

28 C. No project or purchase may be divided or sequenced into separate
29 projects or purchases in order to avoid the limits prescribed by the state
30 board under subsection A of this section.

31 D. A contract for the procurement of construction or construction
32 services shall include a provision ~~which~~ THAT provides for negotiations
33 between the school district and the contractor for the recovery of damages
34 related to expenses incurred by the contractor for a delay for which the
35 school district is responsible, which is unreasonable under the circumstances
36 and which was not within the contemplation of the parties to the contract.
37 This subsection shall not be construed to void any provision in the contract
38 ~~which~~ THAT requires notice of delays, provides for arbitration or other
39 procedure for settlement or provides for liquidated damages.

40 E. The auditor general may conduct discretionary reviews,
41 investigations and audits of the financial and operational procurement
42 activities of school districts, nonexempt charter schools and school
43 purchasing cooperatives. The auditor general has final review and approval
44 authority over all school district, nonexempt charter school and school

1 purchasing cooperative audit contracts and any audit reports issued in
2 accordance with this section.

3 F. In addition to the requirements of sections 15-914 and 15-914.01,
4 school districts, nonexempt charter schools and school purchasing
5 cooperatives, in connection with any audit conducted by a certified public
6 accountant, shall contract for a systematic review of purchasing practices
7 using methodology consistent with sampling guidelines established by the
8 auditor general. The auditor general shall consider cost when establishing
9 guidelines pursuant to this subsection and to the extent possible shall
10 attempt to minimize the cost of the review. The purpose of the review is to
11 determine whether the school district, nonexempt charter school or school
12 purchasing cooperative is in compliance with the procurement laws and
13 applicable procurement rules of this state. A copy of the review shall be
14 submitted ~~upon~~ ON completion to the auditor general. The auditor general may
15 conduct discretionary reviews of school districts, nonexempt charter schools
16 and school purchasing cooperatives not required to contract for independent
17 audits.

18 G. The attorney general or county attorney has jurisdiction to enforce
19 this section. The attorney general or county attorney may seek relief for
20 any violation of this section through an appropriate civil or criminal action
21 in superior court, including an action to enjoin a threatened or pending
22 violation of this section and including an action to enforce compliance with
23 any request for documents made by the auditor general pursuant to this
24 section.

25 H. The department of education shall enact policies and procedures for
26 the acceptance and disposition of complaints from the public regarding school
27 procurement practices and shall forward all school procurement complaints to
28 the attorney general.

29 I. The state board of education shall adopt, and the auditor general
30 shall review, rules authorizing school districts to procure construction
31 services by construction-manager-at-risk, design-build, qualified select
32 bidders list and job-order-contracting methods of project delivery. ~~The~~
33 ~~rules adopted shall require each school district that uses~~
34 ~~construction manager at risk, design build, qualified select bidders list or~~
35 ~~job order contracting to procure construction services to submit, on or~~
36 ~~before January 15 of each year, a report to the secretary of state on the~~
37 ~~benefits associated with the use of such procurement methods. The report~~
38 ~~shall include the number of projects completed in the preceding calendar year~~
39 ~~using that procurement method, the cost and description of each project and~~
40 ~~an estimate of any cost savings or other benefits realized through the use of~~
41 ~~that procurement method.~~

42 J. A school district or charter school may evaluate United States
43 general services administration contracts for materials and services. The
44 governing board or governing body may authorize purchases under a current
45 contract for materials or services without complying with the requirements of

the procurement rules adopted by the state board of education if the governing board or governing body determines in writing that all of the following apply:

1. The price for materials or services is equal to or less than the contractor's current federal supply contract price with the general services administration.

2. The contractor has indicated in writing that the contractor is willing to extend the current federal supply contract pricing, terms and conditions to the school district or charter school.

3. The purchase order adequately identifies the federal supply contract on which the order is based.

4. The purchase contract is cost effective and is in the best interests of the school district or charter school.

K. For the purposes of this section:

1. "Nonexempt charter school" means a charter school that is not exempted from procurement laws pursuant to section 15-183, subsection E, paragraph 6.

2. "School purchasing cooperative" means an entity engaged in cooperative purchasing as defined in section 41-2631.

3. "Total cost" means the cost of all materials and services, including the cost of labor performed by employees of the school district, for all construction as provided in subsection A of this section.

Sec. 4. Section 15-341, Arizona Revised Statutes, is amended to read:

15-341. General powers and duties; immunity; delegation

A. The governing board shall:

1. Prescribe and enforce policies and procedures for the governance of the schools, not inconsistent with law or rules prescribed by the state board of education.

~~2. Maintain the schools established by it for the attendance of each pupil for a period of not less than one hundred seventy five school days or two hundred school days, as applicable, or its equivalent as approved by the superintendent of public instruction for a school district operating on a year-round operation basis, to offer an educational program on the basis of a four-day school week or to offer an alternative kindergarten program on the basis of a three-day school week, in each school year, and if the funds of the district are sufficient, for a longer period, and as far as practicable with equal rights and privileges.~~

~~3.~~ 2. Exclude from schools all books, publications, papers or audiovisual materials of a sectarian, partisan or denominational character.

~~4.~~ 3. Manage and control the school property within its district.

~~5.~~ 4. Acquire school furniture, apparatus, equipment, library books and supplies for the use of the schools.

~~6.~~ 5. Prescribe the curricula and criteria for the promotion and graduation of pupils as provided in sections 15-701 and 15-701.01.

~~7.~~ 6. Furnish, repair and insure, at full insurable value, the school property of the district.

~~8.~~ 7. Construct school buildings on approval by a vote of the district electors.

~~9.~~ 8. Make in the name of the district conveyances of property belonging to the district and sold by the board.

~~10.~~ 9. Purchase school sites when authorized by a vote of the district at an election conducted as nearly as practicable in the same manner as the election provided in section 15-481 and held on a date prescribed in section 15-491, subsection E, but such authorization shall not necessarily specify the site to be purchased and such authorization shall not be necessary to exchange unimproved property as provided in section 15-342, paragraph 23.

~~11.~~ 10. Construct, improve and furnish buildings used for school purposes when such buildings or premises are leased from the national park service.

~~12.~~ 11. Purchase school sites or construct, improve and furnish school buildings from the proceeds of the sale of school property only on approval by a vote of the district electors.

~~13.~~ 12. Hold pupils to strict account for disorderly conduct on school property.

~~14.~~ 13. Discipline students for disorderly conduct on the way to and from school.

~~15.~~ 14. Except as provided in section 15-1224, deposit all monies received by the district as gifts, grants and devises with the county treasurer who shall credit the deposits as designated in the uniform system of financial records. If not inconsistent with the terms of the gifts, grants and devises given, any balance remaining after expenditures for the intended purpose of the monies have been made shall be used for reduction of school district taxes for the budget year, except that in the case of accommodation schools the county treasurer shall carry the balance forward for use by the county school superintendent for accommodation schools for the budget year.

~~16.~~ 15. Provide that, if a parent or legal guardian chooses not to accept a decision of the teacher as provided in section 15-521, paragraph 3, the parent or legal guardian may request in writing that the governing board review the teacher's decision. Nothing in this paragraph shall be construed to release school districts from any liability relating to a child's promotion or retention.

~~17.~~ 16. Provide for adequate supervision over pupils in instructional and noninstructional activities by certificated or noncertificated personnel.

~~18.~~ 17. Use school monies received from the state and county school apportionment exclusively for payment of salaries of teachers and other employees and contingent expenses of the district.

1 ~~19.~~ 18. Make an annual report to the county school superintendent on
2 or before October 1 each year in the manner and form and on the blanks
3 prescribed by the superintendent of public instruction or county school
4 superintendent. The board shall also make reports directly to the county
5 school superintendent or the superintendent of public instruction whenever
6 required.

7 ~~20.~~ 19. Deposit all monies received by school districts other than
8 student activities monies or monies from auxiliary operations as provided in
9 sections 15-1125 and 15-1126 with the county treasurer to the credit of the
10 school district except as provided in paragraph ~~21~~ 20 of this subsection and
11 sections 15-1223 and 15-1224, and the board shall expend the monies as
12 provided by law for other school funds.

13 ~~21.~~ 20. Establish a bank account in which the board during a month may
14 deposit miscellaneous monies received directly by the district. The board
15 shall remit monies deposited in the bank account at least monthly to the
16 county treasurer for deposit as provided in paragraph ~~20~~ 19 of this
17 subsection and in accordance with the uniform system of financial records.

18 ~~22. Employ an attorney admitted to practice in this state whose~~
19 ~~principal practice is in the area of commercial real estate, or a real estate~~
20 ~~broker who is licensed by this state and who is employed by a reputable~~
21 ~~commercial real estate company, to negotiate a lease of five or more years~~
22 ~~for the school district if the governing board decides to enter into a lease~~
23 ~~of five or more years as lessor of school buildings or grounds as provided in~~
24 ~~section 15-342, paragraph 7 or 10. Any lease of five or more years~~
25 ~~negotiated pursuant to this paragraph shall provide that the lessee is~~
26 ~~responsible for payment of property taxes pursuant to the requirements of~~
27 ~~section 42-11104.~~

28 ~~23.~~ 21. Prescribe and enforce policies and procedures for disciplinary
29 action against a teacher who engages in conduct that is a violation of the
30 policies of the governing board but that is not cause for dismissal of the
31 teacher or for revocation of the certificate of the teacher. Disciplinary
32 action may include suspension without pay for a period of time not to exceed
33 ten school days. Disciplinary action shall not include suspension with pay
34 or suspension without pay for a period of time longer than ten school days.
35 The procedures shall include notice, hearing and appeal provisions for
36 violations that are cause for disciplinary action. The governing board may
37 designate a person or persons to act on behalf of the board on these matters.

38 ~~24.~~ 22. Prescribe and enforce policies and procedures for disciplinary
39 action against an administrator who engages in conduct that is a violation of
40 the policies of the governing board regarding duties of administrators but
41 that is not cause for dismissal of the administrator or for revocation of the
42 certificate of the administrator. Disciplinary action may include suspension
43 without pay for a period of time not to exceed ten school days. Disciplinary
44 action shall not include suspension with pay or suspension without pay for a
45 period of time longer than ten school days. The procedures shall include

1 notice, hearing and appeal provisions for violations that are cause for
2 disciplinary action. The governing board may designate a person or persons
3 to act on behalf of the board on these matters. For violations that are
4 cause for dismissal, the provisions of notice, hearing and appeal in chapter
5 5, article 3 of this title shall apply. The filing of a timely request for a
6 hearing suspends the imposition of a suspension without pay or a dismissal
7 pending completion of the hearing.

8 ~~25-~~ 23. Notwithstanding section 13-3108, prescribe and enforce
9 policies and procedures that prohibit a person from carrying or possessing a
10 weapon on school grounds unless the person is a peace officer or has obtained
11 specific authorization from the school administrator.

12 ~~26-~~ 24. Prescribe and enforce policies and procedures relating to the
13 health and safety of all pupils participating in district sponsored practice
14 sessions, games or other interscholastic athletic activities, including the
15 provision of water.

16 ~~27-~~ 25. Prescribe and enforce policies and procedures regarding the
17 smoking of tobacco within school buildings. The policies and procedures
18 shall be adopted in consultation with school district personnel and members
19 of the community and shall state whether smoking is prohibited in school
20 buildings. If smoking in school buildings is not prohibited, the policies
21 and procedures shall clearly state the conditions and circumstances under
22 which smoking is permitted, those areas in a school building that may be
23 designated as smoking areas and those areas in a school building that may not
24 be designated as smoking areas.

25 ~~28-~~ 26. Establish an assessment, data gathering and reporting system
26 as prescribed in chapter 7, article 3 of this title.

27 ~~29-~~ 27. Provide special education programs and related services
28 pursuant to section 15-764, subsection A to all children with disabilities as
29 defined in section 15-761.

30 ~~30-~~ 28. Administer competency tests prescribed by the state board of
31 education for the graduation of pupils from high school.

32 ~~31. Secure insurance coverage for all construction projects for~~
33 ~~purposes of general liability, property damage and workers' compensation and~~
34 ~~secure performance and payment bonds for all construction projects.~~

35 ~~32-~~ 29. Keep on file the resumes of all current and former employees
36 who provide instruction to pupils at a school. Resumes shall include an
37 individual's educational and teaching background and experience in a
38 particular academic content subject area. A school district shall inform
39 parents and guardians of the availability of the resume information and shall
40 make the resume information available for inspection on request of parents
41 and guardians of pupils enrolled at a school. Nothing in this paragraph
42 shall be construed to require any school to release personally identifiable
43 information in relation to any teacher or employee, including the teacher's
44 or employee's address, salary, social security number or telephone number.

1 ~~33.~~ 30. Report to local law enforcement agencies any suspected crime
2 against a person or property that is a serious offense as defined in section
3 13-706 or that involves a deadly weapon or dangerous instrument or serious
4 physical injury and any conduct that poses a threat of death or serious
5 physical injury to employees, students or anyone on the property of the
6 school. This paragraph does not limit or preclude the reporting by a school
7 district or an employee of a school district of suspected crimes other than
8 those required to be reported by this paragraph. For the purposes of this
9 paragraph, "dangerous instrument", "deadly weapon" and "serious physical
10 injury" have the same meanings prescribed in section 13-105.

11 ~~34.~~ 31. In conjunction with local law enforcement agencies and local
12 medical facilities, develop an emergency response plan for each school in the
13 school district in accordance with minimum standards developed jointly by the
14 department of education and the division of emergency management within the
15 department of emergency and military affairs.

16 ~~35. Annually assign at least one school district employee to~~
17 ~~participate in a multihazard crisis training program developed or selected by~~
18 ~~the governing board.~~

19 ~~36.~~ 32. Provide written notice to the parents or guardians of all
20 students affected in the school district at least thirty days prior to a
21 public meeting to discuss closing a school within the school district. The
22 notice shall include the reasons for the proposed closure and the time and
23 place of the meeting. The governing board shall fix a time for a public
24 meeting on the proposed closure no less than thirty days before voting in a
25 public meeting to close the school. The school district governing board
26 shall give notice of the time and place of the meeting. At the time and
27 place designated in the notice, the school district governing board shall
28 hear reasons for or against closing the school. The school district
29 governing board is exempt from this paragraph if it is determined by the
30 governing board that the school shall be closed because it poses a danger to
31 the health or safety of the pupils or employees of the school.

32 ~~37.~~ 33. Incorporate instruction on Native American history into
33 appropriate existing curricula.

34 ~~38.~~ 34. Prescribe and enforce policies and procedures allowing pupils
35 who have been diagnosed with anaphylaxis by a health care provider licensed
36 pursuant to title 32, chapter 13, 14, 17 or 25 or by a registered nurse
37 practitioner licensed and certified pursuant to title 32, chapter 15 to carry
38 and self-administer emergency medications, including auto-injectable
39 epinephrine, while at school and at school sponsored activities. The pupil's
40 name on the prescription label on the medication container or on the
41 medication device and annual written documentation from the pupil's parent or
42 guardian to the school that authorizes possession and self-administration is
43 sufficient proof that the pupil is entitled to the possession and
44 self-administration of the medication. The policies shall require a pupil
45 who uses auto-injectable epinephrine while at school and at school sponsored

1 activities to notify the nurse or the designated school staff person of the
2 use of the medication as soon as practicable. A school district and its
3 employees are immune from civil liability with respect to all decisions made
4 and actions taken that are based on good faith implementation of the
5 requirements of this paragraph, except in cases of wanton or wilful neglect.

6 ~~39.~~ 35. Allow the possession and self-administration of prescription
7 medication for breathing disorders in handheld inhaler devices by pupils who
8 have been prescribed that medication by a health care professional licensed
9 pursuant to title 32. The pupil's name on the prescription label on the
10 medication container or on the handheld inhaler device and annual written
11 documentation from the pupil's parent or guardian to the school that
12 authorizes possession and self-administration shall be sufficient proof that
13 the pupil is entitled to the possession and self-administration of the
14 medication. A school district and its employees are immune from civil
15 liability with respect to all decisions made and actions taken that are based
16 on a good faith implementation of the requirements of this paragraph.

17 ~~40.~~ 36. Prescribe and enforce policies and procedures to prohibit
18 pupils from harassing, intimidating and bullying other pupils on school
19 grounds, on school property, on school buses, at school bus stops and at
20 school sponsored events and activities that include the following components:

21 (a) A procedure for pupils to confidentially report to school
22 officials incidents of harassment, intimidation or bullying.

23 (b) A procedure for parents and guardians of pupils to submit written
24 reports to school officials of suspected incidents of harassment,
25 intimidation or bullying.

26 (c) A requirement that school district employees report suspected
27 incidents of harassment, intimidation or bullying to the appropriate school
28 official.

29 (d) A formal process for the documentation of reported incidents of
30 harassment, intimidation or bullying, ~~except that no documentation shall be~~
31 ~~maintained unless the harassment, intimidation or bullying has been proven~~
32 AND FOR THE CONFIDENTIALITY, MAINTENANCE AND DISPOSITION OF THIS
33 DOCUMENTATION. IF A SCHOOL MAINTAINS DOCUMENTATION OF REPORTED INCIDENTS OF
34 HARASSMENT, INTIMIDATION OR BULLYING, THE SCHOOL SHALL NOT USE THAT
35 DOCUMENTATION TO IMPOSE DISCIPLINARY ACTION UNLESS THE APPROPRIATE SCHOOL
36 OFFICIAL HAS INVESTIGATED AND DETERMINED THAT THE REPORTED INCIDENTS OF
37 HARASSMENT, INTIMIDATION OR BULLYING OCCURRED.

38 (e) A formal process for the investigation by the appropriate school
39 officials of suspected incidents of harassment, intimidation or bullying.

40 (f) Disciplinary procedures for pupils who have admitted or been found
41 to have committed incidents of harassment, intimidation or bullying.

42 (g) A procedure that sets forth consequences for submitting false
43 reports of incidents of harassment, intimidation or bullying.

~~41-~~ 37. Prescribe and enforce policies and procedures regarding changing or adopting attendance boundaries that include the following components:

(a) A procedure for holding public meetings to discuss attendance boundary changes or adoptions that allows public comments.

(b) A procedure to notify the parents or guardians of the students affected.

(c) A procedure to notify the residents of the households affected by the attendance boundary changes.

(d) A process for placing public meeting notices and proposed maps on the school district's website for public review, if the school district maintains a website.

(e) A formal process for presenting the attendance boundaries of the affected area in public meetings that allows public comments.

(f) A formal process for notifying the residents and parents or guardians of the affected area as to the decision of the governing board on the school district's website, if the school district maintains a website.

(g) A formal process for updating attendance boundaries on the school district's website within ninety days of an adopted boundary change. The school district shall send a direct link to the school district's attendance boundaries website to the department of real estate.

(h) If the land that a school was built on was donated within the past five years, a formal process to notify the entity that donated the land affected by the decision of the governing board.

~~42-~~ 38. If the state board of education determines that the school district has committed an overexpenditure as defined in section 15-107, provide a copy of the fiscal management report submitted pursuant to section 15-107, subsection H on its website and make copies available to the public on request. The school district shall comply with a request within five business days after receipt.

B. Notwithstanding subsection A, paragraphs ~~8-~~ 7, ~~10~~ 9 and ~~12~~ 11 of this section, the county school superintendent may construct, improve and furnish school buildings or purchase or sell school sites in the conduct of an accommodation school.

C. If any school district acquires real or personal property, whether by purchase, exchange, condemnation, gift or otherwise, the governing board shall pay to the county treasurer any taxes on the property that were unpaid as of the date of acquisition, including penalties and interest. The lien for unpaid delinquent taxes, penalties and interest on property acquired by a school district:

1. Is not abated, extinguished, discharged or merged in the title to the property.

2. Is enforceable in the same manner as other delinquent tax liens.

~~D. The governing board may not locate a school on property that is less than one-fourth mile from agricultural land regulated pursuant to~~

~~section 3-365, except that the owner of the agricultural land may agree to comply with the buffer zone requirements of section 3-365. If the owner agrees in writing to comply with the buffer zone requirements and records the agreement in the office of the county recorder as a restrictive covenant running with the title to the land, the school district may locate a school within the affected buffer zone. The agreement may include any stipulations regarding the school, including conditions for future expansion of the school and changes in the operational status of the school that will result in a breach of the agreement.~~

~~E.~~ D. A school district, its governing board members, its school council members and its employees are immune from civil liability for the consequences of adoption and implementation of policies and procedures pursuant to subsection A of this section and section 15-342. This waiver does not apply if the school district, its governing board members, its school council members or its employees are guilty of gross negligence or intentional misconduct.

~~F.~~ E. A governing board may delegate in writing to a superintendent, principal or head teacher the authority to prescribe procedures that are consistent with the governing board's policies.

~~G.~~ F. Notwithstanding any other provision of this title, a school district governing board shall not take any action that would result in an immediate reduction or a reduction within three years of pupil square footage that would cause the school district to fall below the minimum adequate gross square footage requirements prescribed in section 15-2011, subsection C, unless the governing board notifies the school facilities board established by section 15-2001 of the proposed action and receives written approval from the school facilities board to take the action. A reduction includes an increase in administrative space that results in a reduction of pupil square footage or sale of school sites or buildings, or both. A reduction includes a reconfiguration of grades that results in a reduction of pupil square footage of any grade level. This subsection does not apply to temporary reconfiguration of grades to accommodate new school construction if the temporary reconfiguration does not exceed one year. The sale of equipment that results in an immediate reduction or a reduction within three years that falls below the equipment requirements prescribed in section 15-2011, subsection B is subject to commensurate withholding of school district capital outlay revenue limit monies pursuant to the direction of the school facilities board. Except as provided in section 15-342, paragraph 10, proceeds from the sale of school sites, buildings or other equipment shall be deposited in the school plant fund as provided in section 15-1102.

~~H.~~ G. Subsections C through ~~G~~ F of this section apply to a county board of supervisors and a county school superintendent when operating and administering an accommodation school.

~~I. Until the state board of education and the auditor general adopt rules pursuant to section 15-213, subsection I, a school district may procure~~

~~construction services, including services for new school construction pursuant to section 15-2041, by the construction manager at risk, design build and job order contracting methods of project delivery as provided in title 41, chapter 23, except that the rules adopted by the director of the department of administration do not apply to procurements pursuant to this subsection. Any procurement commenced pursuant to this subsection may be completed pursuant to this subsection.~~

Sec. 5. Section 15-342, Arizona Revised Statutes, is amended to read:

15-342. Discretionary powers

The governing board may:

1. Expel pupils for misconduct.

2. Exclude from grades one through eight children under six years of age.

3. Make such separation of groups of pupils as it deems advisable.

4. Maintain such special schools during vacation as deemed necessary for the benefit of the pupils of the school district.

5. Permit a superintendent or principal or representatives of the superintendent or principal to travel for a school purpose, as determined by a majority vote of the board. The board may permit members and members-elect of the board to travel within or without the school district for a school purpose and receive reimbursement. Any expenditure for travel and subsistence pursuant to this paragraph shall be as provided in title 38, chapter 4, article 2. The designated post of duty referred to in section 38-621 shall be construed, for school district governing board members, to be the member's actual place of residence, as opposed to the school district office or the school district boundaries. Such expenditures shall be a charge against the budgeted school district funds. The governing board of a school district shall prescribe procedures and amounts for reimbursement of lodging and subsistence expenses. Reimbursement amounts shall not exceed the maximum amounts established pursuant to section 38-624, subsection C.

6. Construct or provide in rural districts housing facilities for teachers and other school employees which the board determines are necessary for the operation of the school.

7. Sell or lease to the state, a county, a city or a tribal government agency, ~~any~~ school property required for a public purpose, provided the sale or lease of the property will not affect the normal operations of a school within the school district.

8. Annually budget and expend funds for membership in an association of school districts within this state.

9. Enter into leases or lease-purchase agreements for school buildings or grounds, or both, as lessor or as lessee, for periods of less than five years subject to voter approval for construction of school buildings as prescribed in section 15-341, subsection A, paragraph ~~8~~ 7.

10. Subject to chapter 16 of this title, sell school sites or enter into leases or lease-purchase agreements for school buildings and grounds, as

1 lessor or as lessee, for a period of five years or more, but not to exceed
2 ninety-nine years, if authorized by a vote of the school district electors in
3 an election called by the governing board as provided in section 15-491,
4 except that authorization by the school district electors in an election is
5 not required if one of the following requirements is met:

6 (a) The market value of the school property is less than fifty
7 thousand dollars.

8 (b) The buildings and sites are completely funded with monies
9 distributed by the school facilities board.

10 (c) The transaction involves the sale of improved or unimproved
11 property pursuant to an agreement with the school facilities board in which
12 the school district agrees to sell the improved or unimproved property and
13 transfer the proceeds of the sale to the school facilities board in exchange
14 for monies from the school facilities board for the acquisition of a more
15 suitable school site. For a sale of property acquired by a school district
16 prior to July 9, 1998, a school district shall transfer to the school
17 facilities board that portion of the proceeds that equals the cost of the
18 acquisition of a more suitable school site. If there are any remaining
19 proceeds after the transfer of monies to the school facilities board, a
20 school district shall only use those remaining proceeds for future land
21 purchases approved by the school facilities board, or for capital
22 improvements not funded by the school facilities board for any existing or
23 future facility.

24 (d) The transaction involves the sale of improved or unimproved
25 property pursuant to a formally adopted plan and the school district uses the
26 proceeds of this sale to purchase other property that will be used for
27 similar purposes as the property that was originally sold, provided that the
28 sale proceeds of the improved or unimproved property are used within two
29 years after the date of the original sale to purchase the replacement
30 property. If the sale proceeds of the improved or unimproved property are
31 not used within two years after the date of the original sale to purchase
32 replacement property, the sale proceeds shall be used towards payment of any
33 outstanding bonded indebtedness. If any sale proceeds remain after paying
34 for outstanding bonded indebtedness, or if the district has no outstanding
35 bonded indebtedness, sale proceeds shall be used to reduce the district's
36 primary tax levy. A school district shall not use ~~the provisions of~~ this
37 subdivision unless all of the following conditions exist:

38 (i) The school district is the sole owner of the improved or
39 unimproved property that the school district intends to sell.

40 (ii) The school district did not purchase the improved or unimproved
41 property that the school district intends to sell with monies that were
42 distributed pursuant to chapter 16 of this title.

43 (iii) The transaction does not violate section 15-341, subsection
44 ~~G~~ F.

11. Review the decision of a teacher to promote a pupil to a grade or retain a pupil in a grade in a common school or to pass or fail a pupil in a course in high school. The pupil has the burden of proof to overturn the decision of a teacher to promote, retain, pass or fail the pupil. In order to sustain the burden of proof, the pupil shall demonstrate to the governing board that the pupil has mastered the academic standards adopted by the state board of education pursuant to sections 15-701 and 15-701.01. If the governing board overturns the decision of a teacher pursuant to this paragraph, the governing board shall adopt a written finding that the pupil has mastered the academic standards. Notwithstanding title 38, chapter 3, article 3.1, the governing board shall review the decision of a teacher to promote a pupil to a grade or retain a pupil in a grade in a common school or to pass or fail a pupil in a course in high school in executive session unless a parent or legal guardian of the pupil or the pupil, if emancipated, disagrees that the review should be conducted in executive session and then the review shall be conducted in an open meeting. If the review is conducted in executive session, the board shall notify the teacher of the date, time and place of the review and shall allow the teacher to be present at the review. If the teacher is not present at the review, the board shall consult with the teacher before making its decision. Any request, including the written request as provided in section 15-341, the written evidence presented at the review and the written record of the review, including the decision of the governing board to accept or reject the teacher's decision, shall be retained by the governing board as part of its permanent records.

12. Provide transportation or site transportation loading and unloading areas for any child or children if deemed for the best interest of the district, whether within or without the district, county or state.

13. Enter into intergovernmental agreements and contracts with school districts or other governing bodies as provided in section 11-952. INTERGOVERNMENTAL AGREEMENTS AND CONTRACTS BETWEEN SCHOOL DISTRICTS OR BETWEEN A SCHOOL DISTRICT AND OTHER GOVERNING BODIES AS PROVIDED IN SECTION 11-952 ARE EXEMPT FROM COMPETITIVE BIDDING UNDER THE PROCUREMENT RULES ADOPTED BY THE STATE BOARD OF EDUCATION PURSUANT TO SECTION 15-213.

14. Include in the curricula which it prescribes for high schools in the school district career and technical education, vocational education and technology education programs and career and technical, vocational and technology program improvement services for the high schools, subject to approval by the state board of education. The governing board may contract for the provision of career and technical, vocational and technology education as provided in section 15-789.

15. Suspend a teacher or administrator from the teacher's or administrator's duties without pay for a period of time of not to exceed ten school days, if the board determines that suspension is warranted pursuant to section 15-341, subsection A, paragraphs ~~23~~ 21 and ~~24~~ 22.

1 16. Dedicate school property within an incorporated city or town to
2 such city or town or within a county to that county for use as a public
3 right-of-way if both of the following apply:

4 (a) Pursuant to an ordinance adopted by such city, town or county,
5 there will be conferred upon the school district privileges and benefits
6 which may include benefits related to zoning.

7 (b) The dedication will not affect the normal operation of any school
8 within the district.

9 17. Enter into option agreements for the purchase of school sites.

10 18. Donate surplus or outdated learning materials to nonprofit
11 community organizations where the governing board determines that the
12 anticipated cost of selling the learning materials equals or exceeds the
13 estimated market value of the materials.

14 19. Prescribe policies for the assessment of reasonable fees for
15 students to use district-provided parking facilities. The fees are to be
16 applied by the district solely against costs incurred in operating or
17 securing the parking facilities. Any policy adopted by the governing board
18 pursuant to this paragraph shall include a fee waiver provision in
19 appropriate cases of need or economic hardship.

20 20. Establish alternative educational programs that are consistent with
21 the laws of this state to educate pupils, including pupils who have been
22 reassigned pursuant to section 15-841, subsection E or F.

23 21. Require a period of silence to be observed at the commencement of
24 the first class of the day in the schools. If a governing board chooses to
25 require a period of silence to be observed, the teacher in charge of the room
26 in which the first class is held shall announce that a period of silence not
27 to exceed one minute in duration will be observed for meditation, and during
28 that time no activities shall take place and silence shall be maintained.

29 22. Require students to wear uniforms.

30 23. Exchange unimproved property or improved property, including school
31 sites, where the governing board determines that the improved property is
32 unnecessary for the continued operation of the school district without
33 requesting authorization by a vote of the school district electors if the
34 governing board determines that the exchange is necessary to protect the
35 health, safety or welfare of pupils or when the governing board determines
36 that the exchange is based on sound business principles for either:

37 (a) Unimproved or improved property of equal or greater value.

38 (b) Unimproved property that the owner contracts to improve if the
39 value of the property ultimately received by the school district is of equal
40 or greater value.

41 24. For common and high school pupils, assess reasonable fees for
42 optional extracurricular activities and programs conducted when the common or
43 high school is not in session, except that no fees shall be charged for
44 pupils' access to or use of computers or related materials. For high school
45 pupils, the governing board may assess reasonable fees for fine arts and

1 vocational education courses and for optional services, equipment and
2 materials offered to the pupils beyond those required to successfully
3 complete the basic requirements of any other course, except that no fees
4 shall be charged for pupils' access to or use of computers or related
5 materials. Fees assessed pursuant to this paragraph shall be adopted at a
6 public meeting after notice has been given to all parents of pupils enrolled
7 at schools in the district and shall not exceed the actual costs of the
8 activities, programs, services, equipment or materials. The governing board
9 shall authorize principals to waive the assessment of all or part of a fee
10 assessed pursuant to this paragraph if it creates an economic hardship for a
11 pupil. For the purposes of this paragraph, "extracurricular activity" means
12 any optional, noncredit, educational or recreational activity which
13 supplements the education program of the school, whether offered before,
14 during or after regular school hours.

15 25. Notwithstanding section 15-341, subsection A, paragraphs ~~8- 7~~ and
16 ~~10 9~~, construct school buildings and purchase or lease school sites, without
17 a vote of the school district electors, if the buildings and sites are
18 totally funded from one or more of the following:

19 (a) Monies in the unrestricted capital outlay fund, except that the
20 estimated cost shall not exceed two hundred fifty thousand dollars for a
21 district that utilizes ~~the provisions of~~ section 15-949.

22 (b) Monies distributed from the school facilities board established by
23 section 15-2001.

24 (c) Monies specifically donated for the purpose of constructing school
25 buildings.

26 Nothing in this paragraph shall be construed to eliminate the requirement for
27 an election to raise revenues for a capital outlay override pursuant to
28 section 15-481 or a bond election pursuant to section 15-491.

29 26. Conduct a background investigation that includes a fingerprint
30 check conducted pursuant to section 41-1750, subsection G for certificated
31 personnel and personnel who are not paid employees of the school district, as
32 a condition of employment. A school district may release the results of a
33 background check to another school district for employment purposes. The
34 school district may charge the costs of fingerprint checks to its
35 fingerprinted employee, except that the school district may not charge the
36 costs of fingerprint checks for personnel who are not paid employees of the
37 school district.

38 27. Sell advertising space on the exterior of school buses **AND ON**
39 **ATHLETIC FACILITIES** as follows:

40 (a) Advertisements shall be age appropriate and not contain promotion
41 of any substance that is illegal for minors such as alcohol, tobacco and
42 drugs or gambling. Advertisements shall comply with the state sex education
43 policy of abstinence.

44 (b) Advertising approved by the governing board may appear only on the
45 sides of the bus in the following areas:

(i) The signs shall be below the seat level rub rail and not extend above the bottom of the side windows.

(ii) The signs shall be at least three inches from any required lettering, lamp, wheel well or reflector behind the service door or stop signal arm.

(iii) The signs shall not extend from the body of the bus so as to allow a handhold or present a danger to pedestrians.

(iv) The signs shall not interfere with the operation of any door or window.

(v) The signs shall not be placed on any emergency doors.

(c) Establish ~~a school bus~~ AN advertisement fund that is comprised of revenues from the sale of advertising space on school buses AND ATHLETIC FACILITIES. The monies in ~~a school bus~~ AN advertisement fund are not subject to reversion. ~~and shall be used for the following purposes:~~

~~(i) To comply with the energy conservation measures prescribed in section 15-349 in school districts that are in area A as defined in section 49-541, and any remaining monies shall be used to purchase alternative fuel support vehicles and any other pupil related costs as determined by the governing board.~~

~~(ii) For any pupil related costs as determined by the governing board in school districts not subject to the provisions of item (i) of this subdivision.~~

28. Assess reasonable damage deposits to pupils in grades seven through twelve for the use of textbooks, musical instruments, band uniforms or other equipment required for academic courses. The governing board shall adopt policies on any damage deposits assessed pursuant to this paragraph at a public meeting called for this purpose after providing notice to all parents of pupils in grades seven through twelve in the school district. Principals of individual schools within the district may waive the damage deposit requirement for any textbook or other item if the payment of the damage deposit would create an economic hardship for the pupil. The school district shall return the full amount of the damage deposit for any textbook or other item if the pupil returns the textbook or other item in reasonably good condition within the time period prescribed by the governing board. For the purposes of this paragraph, "in reasonably good condition" means the textbook or other item is in the same or a similar condition as it was when the pupil received it, plus ordinary wear and tear.

29. Notwithstanding section 15-1105, expend surplus monies in the civic center school fund for maintenance and operations or unrestricted capital outlay, if sufficient monies are available in the fund after meeting the needs of programs established pursuant to section 15-1105.

30. Notwithstanding section 15-1143, expend surplus monies in the community school program fund for maintenance and operations or unrestricted capital outlay, if sufficient monies are available in the fund after meeting the needs of programs established pursuant to section 15-1142.

1 31. Adopt guidelines for standardization of the format of the school
2 report cards required by section 15-746 for schools within the district.

3 32. Adopt policies that require parental notification when a law
4 enforcement officer interviews a pupil on school grounds. Policies adopted
5 pursuant to this paragraph shall not impede a peace officer from the
6 performance of the peace officer's duties. If the school district governing
7 board adopts a policy that requires parental notification:

8 (a) The policy may provide reasonable exceptions to the parental
9 notification requirement.

10 (b) The policy shall set forth whether and under what circumstances a
11 parent may be present when a law enforcement officer interviews the pupil,
12 including reasonable exceptions to the circumstances under which a parent may
13 be present when a law enforcement officer interviews the pupil, and shall
14 specify a reasonable maximum time after a parent is notified that an
15 interview of a pupil by a law enforcement officer may be delayed to allow the
16 parent to be present.

17 33. Enter into voluntary partnerships with any party to finance with
18 funds other than school district funds and cooperatively design school
19 facilities that comply with the adequacy standards prescribed in section
20 15-2011 and the square footage per pupil requirements pursuant to section
21 15-2041, subsection D, paragraph 3, subdivision (b). The design plans and
22 location of any such school facility shall be submitted to the school
23 facilities board for approval pursuant to section 15-2041, subsection 0. If
24 the school facilities board approves the design plans and location of any
25 such school facility, the party in partnership with the school district may
26 cause to be constructed and the district may begin operating the school
27 facility before monies are distributed from the school facilities board
28 pursuant to section 15-2041. Monies distributed from the new school
29 facilities fund to a school district in a partnership with another party to
30 finance and design the school facility shall be paid to the school district
31 pursuant to section 15-2041. The school district shall reimburse the party
32 in partnership with the school district from the monies paid to the school
33 district pursuant to section 15-2041, in accordance with the voluntary
34 partnership agreement. Before the school facilities board distributes any
35 monies pursuant to this subsection, the school district shall demonstrate to
36 the school facilities board that the facilities to be funded pursuant to
37 section 15-2041, subsection 0 meet the minimum adequacy standards prescribed
38 in section 15-2011. If the cost to construct the school facility exceeds the
39 amount that the school district receives from the new school facilities fund,
40 the partnership agreement between the school district and the other party
41 shall specify that, except as otherwise provided by the other party, any such
42 excess costs shall be the responsibility of the school district. The school
43 district governing board shall adopt a resolution in a public meeting that AN
44 analysis has been conducted on the prospective effects of the decision to
45 operate a new school with existing monies from the school district's

1 maintenance and operations budget and how this decision may affect other
2 schools in the school district. If a school district acquires land by
3 donation at an appropriate school site approved by the school facilities
4 board and a school facility is financed and built on the land pursuant to
5 this paragraph, the school facilities board shall distribute an amount equal
6 to twenty per cent of the fair market value of the land that can be used for
7 academic purposes. The school district shall place the monies in the
8 unrestricted capital outlay fund and increase the unrestricted capital budget
9 limit by the amount of the monies placed in the fund. Monies distributed
10 under this paragraph shall be distributed from the new school facilities fund
11 pursuant to section 15-2041. If a school district acquires land by donation
12 at an appropriate school site approved by the school facilities board and a
13 school facility is financed and built on the land pursuant to this paragraph,
14 the school district shall not receive monies from the school facilities board
15 for the donation of real property pursuant to section 15-2041, subsection F.
16 It is unlawful for:

17 (a) A county, city or town to require as a condition of any land use
18 approval that a landowner or landowners that entered into a partnership
19 pursuant to this paragraph provide any contribution, donation or gift, other
20 than a site donation, to a school district. This subdivision only applies to
21 the property in the voluntary partnership agreement pursuant to this
22 paragraph.

23 (b) A county, city or town to require as a condition of any land use
24 approval that the landowner or landowners located within the geographic
25 boundaries of the school subject to the voluntary partnership pursuant to
26 this paragraph provide any donation or gift to the school district except as
27 provided in the voluntary partnership agreement pursuant to this paragraph.

28 (c) A community facilities district established pursuant to title 48,
29 chapter 4, article 6 to be used for reimbursement of financing the
30 construction of a school pursuant to this paragraph.

31 (d) ~~For~~ A school district to enter into an agreement pursuant to this
32 paragraph with any party other than a master planned community party. Any
33 land area consisting of at least three hundred twenty acres that is the
34 subject of a development agreement with a county, city or town entered into
35 pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master
36 planned community. For the purposes of this subdivision, "master planned
37 community" means a land area consisting of at least three hundred twenty
38 acres, which may be noncontiguous, that is the subject of a zoning ordinance
39 approved by the governing body of the county, city or town in which the land
40 is located that establishes the use of the land area as a planned area
41 development or district, planned community development or district, planned
42 unit development or district or other land use category or district that is
43 recognized in the local ordinance of such county, city or town and that
44 specifies the use of such land is for a master planned development.

1 Sec. 6. Section 15-539, Arizona Revised Statutes, is amended to read:

2 15-539. Dismissal of certificated teacher; due process; written
3 charges; notice; hearing on request

4 A. ~~Upon~~ ON a written statement of charges presented by the
5 superintendent, charging that there exists cause for the suspension without
6 pay for a period of time greater than ten school days or dismissal of a
7 certificated teacher of the district, the governing board ~~shall~~, except as
8 otherwise provided in this article, SHALL give notice to the teacher of its
9 intention to suspend without pay or dismiss the teacher at the expiration of
10 ~~thirty~~ TEN days from the date of the service of the notice.

11 B. Whenever the superintendent presents a statement of charges wherein
12 the alleged cause for dismissal constitutes immoral or unprofessional
13 conduct, the governing board may adopt a resolution that a complaint be filed
14 with the department of education. Pending disciplinary action by the state
15 board of education, the certificated teacher may be reassigned by the
16 superintendent or placed on administrative leave by the board pursuant to
17 section 15-540.

18 C. The governing board shall give a certificated teacher who has been
19 employed by the school district for more than the major portion of three
20 consecutive school years notice of intention to dismiss if its intention to
21 dismiss is based on charges of inadequacy of classroom performance as defined
22 by the governing board pursuant to subsection D of this section. The
23 governing board or its authorized representative shall give the teacher a
24 written preliminary notice of inadequacy of classroom performance at least
25 ten instructional days ~~prior to~~ BEFORE the start of the period of time within
26 which to correct the inadequacy and overcome the grounds for the charge. The
27 governing board may delegate to employees of the governing board the general
28 authority to issue preliminary notices of inadequacy of classroom performance
29 to teachers pursuant to this section without the need for prior approval of
30 each notice by the governing board. In all cases in which an employee of the
31 governing board issues a preliminary notice of inadequacy of classroom
32 performance without prior approval by the governing board, the employee shall
33 report its issuance to the governing board within five school days. The
34 written preliminary notice of inadequacy of classroom performance shall
35 specify the nature of the inadequacy of classroom performance with such
36 particularity as to furnish the teacher an opportunity to correct the
37 teacher's inadequacies and overcome the grounds for the charge. The written
38 preliminary notice of inadequacy of classroom performance shall be based on a
39 valid evaluation according to school district procedure, shall include a copy
40 of any evaluation pertinent to the charges made and shall state the date by
41 which the teacher has to correct the inadequacy and overcome the grounds for
42 the charge. That evaluation shall not be conducted within two instructional
43 days of any school break of one week or more. The written preliminary notice
44 of inadequacy of classroom performance shall allow the teacher not less than
45 ~~eighty-five~~ SIXTY instructional days within which to correct the inadequacy

1 and overcome the grounds for the charge. If within the time specified in the
2 written preliminary notice of inadequacy of classroom performance the teacher
3 does not demonstrate adequate classroom performance, the governing board
4 shall dismiss the teacher either within ~~thirty~~ TEN days of the service of a
5 subsequent notice of intention to dismiss or by the end of the contract year
6 in which the subsequent notice of intention to dismiss is served unless the
7 teacher has requested a hearing as provided in subsection G of this section.
8 If the teacher demonstrates adequate classroom performance during the period
9 allowed to correct such deficiencies as specified in the written preliminary
10 notice of inadequacy of classroom performance, the governing board may not
11 dismiss the teacher for the reasons specified in the written preliminary
12 notice of inadequacy of classroom performance. If the governing board of a
13 school district has received approval to budget for a career ladder program,
14 the governing board may define inadequacy of classroom performance by
15 establishing a single level of performance ~~which~~ THAT is required of all
16 teachers or by establishing more than one required level of performance. If
17 more than one level is established, the same level of performance for minimum
18 adequacy shall be required of all teachers who have completed the same number
19 of years of teaching in the district.

20 D. The governing board shall develop a definition of inadequacy of
21 classroom performance that applies to notices issued pursuant to section
22 15-536, section 15-538 and this section. The governing board shall develop
23 its definition of inadequacy of classroom performance in consultation with
24 its certificated teachers. The consultation may be accomplished by holding a
25 public hearing, forming an advisory committee, providing teachers the
26 opportunity to respond to a proposed definition or obtaining teacher approval
27 of a career ladder program ~~which~~ THAT defines inadequacy of classroom
28 performance.

29 E. Any written statement of charges alleging unprofessional conduct,
30 conduct in violation of the rules or policies of the governing board or
31 inadequacy of classroom performance shall specify instances of behavior and
32 the acts or omissions constituting the charge so that the certificated
33 teacher will be able to prepare a defense. If applicable, it shall state the
34 statutes, rules or written objectives of the governing board ~~which~~ THAT the
35 certificated teacher is alleged to have violated and set forth the facts
36 relevant to each occasion of alleged unprofessional conduct, conduct in
37 violation of the rules or policies of the governing board or inadequacy of
38 classroom performance.

39 F. The notice shall be in writing and shall be served ~~upon~~ ON the
40 certificated teacher personally or by United States registered or certified
41 mail addressed to the teacher's last known address. A copy of the charges,
42 together with a copy of this section and sections 15-501, 15-538.01, 15-540,
43 15-541, 15-542 and 15-544 through 15-547, shall be attached to the notice.

44 G. The certificated teacher who receives notice that there exists
45 cause for dismissal or suspension without pay shall have the right to a

1 hearing if the teacher files a written request with the governing board
2 within ~~thirty~~ TEN days of service of notice. The filing of a timely request
3 shall suspend the imposition of a suspension without pay or a dismissal
4 pending completion of the hearing.

5 Sec. 7. Section 15-746, Arizona Revised Statutes, is amended to read:
6 15-746. School report cards

7 A. Each school shall distribute an annual report card that contains at
8 least the following information:

9 1. A description of the school's regular, magnet and special
10 instructional programs.

11 2. A description of the current academic goals of the school.

12 3. A summary of the results achieved by pupils enrolled at the school
13 during the prior three school years as measured by the Arizona instrument to
14 measure standards test and the nationally standardized norm-referenced
15 achievement test as designated by the state board and as reported in the
16 annual report prescribed by section 15-743, a summary of the pupil progress
17 on an ongoing and annual basis, showing the trends in gain or loss in pupil
18 achievement over time in reading, language arts and mathematics for all years
19 in which pupils are enrolled in the school district for an entire school year
20 and for which this information is available and a summary of the pupil
21 progress for pupils not enrolled in a district for an entire school year.

22 4. The school's current expenditures per pupil for classroom supplies,
23 classroom instruction excluding classroom supplies, administration, support
24 services-students, and all other support services and operations. The
25 current expenditures per pupil by school shall include allocation of the
26 district-wide expenditures to each school, as provided by the district. The
27 report shall include a comparison of the school to the state amount for a
28 similar type of district as calculated in section 15-255. The method of
29 calculating these per pupil amounts and the allocation of expenditures shall
30 be as prescribed in the uniform system of financial records.

31 5. The attendance rate of pupils enrolled at the school as reflected
32 in the school's average daily membership as defined in section 15-901.

33 6. The total number of incidents that occurred on the school grounds,
34 at school bus stops, on school buses and at school sponsored events and that
35 required the contact of a local, county, tribal, state or federal law
36 enforcement officer pursuant to section 13-3411, subsection F, section
37 13-3620, section 15-341, subsection A, paragraph ~~33~~ 30 or section 15-515.
38 The total number of incidents reported shall only include reports that law
39 enforcement officers report to the school are supported by probable cause.
40 For the purposes of this paragraph, a certified peace officer who serves as a
41 school resource officer is a law enforcement officer. A school may provide
42 clarifying information if the school has a school resource officer on campus.

43 7. The percentage of pupils who have either graduated to the next
44 grade level or graduated from high school.

- 1 8. A description of the social services available at the school site.
- 2 9. The school calendar, including the length of the school day and
- 3 hours of operations.
- 4 10. The total number of pupils enrolled at the school during the
- 5 previous school year.
- 6 11. The transportation services available.
- 7 12. Beginning in the 2000-2001 school year and until July 1, 2006, the
- 8 reading instruction programs used by the school for kindergarten programs and
- 9 grades one, two and three, pursuant to section 15-704. The report card shall
- 10 include a district comparison of test scores among the different programs of
- 11 reading instruction and shall identify the program of reading instruction
- 12 used in each classroom.
- 13 13. A description of the responsibilities of parents of children
- 14 enrolled at the school.
- 15 14. A description of the responsibilities of the school to the parents
- 16 of the children enrolled at the school, including dates the report cards are
- 17 delivered to the home.
- 18 15. A description of the composition and duties of the school council
- 19 as prescribed in section 15-351 if such a school council exists.
- 20 16. For the most recent year available, the average current expenditure
- 21 per pupil for administrative functions compared to the predicted average
- 22 current expenditure per pupil for administrative functions according to an
- 23 analysis of administrative cost data by the joint legislative budget
- 24 committee staff.
- 25 17. If the school provides instruction to pupils in kindergarten
- 26 programs and grades one through three, the ratio of pupils to teachers in
- 27 each classroom where instruction is provided in kindergarten programs and
- 28 grades one through three.
- 29 18. The average class size per grade level for all grade levels,
- 30 kindergarten programs and grades one through eight. For the purposes of this
- 31 paragraph, "average class size" means the weighted average of each class.
- 32 B. The department of education shall develop a standardized report
- 33 card format that meets the requirements of subsection A of this section. The
- 34 department shall modify the standardized report card as necessary on an
- 35 annual basis. The department shall distribute to each school in this state a
- 36 copy of the standardized report card that includes the required test scores
- 37 for each school. Additional copies of the standardized report card shall be
- 38 available on request.
- 39 C. After each school has completed the report card distributed to it
- 40 by the department of education, the school, in addition to distributing the
- 41 report card as prescribed in subsection A of this section, shall send a copy
- 42 of the report card to the department. The department shall prepare an annual
- 43 report that contains the report card from each school in this state.

D. The school shall distribute report cards to parents of pupils enrolled at the school, no later than the last day of school of each fiscal year, and shall present a summary of the contents of the report cards at an annual public meeting held at the school. The school shall give notice at least two weeks before the public meeting that clearly states the purposes, time and place of the meeting.

Sec. 8. Section 15-843, Arizona Revised Statutes, is amended to read:
15-843. Pupil disciplinary proceedings

A. An action concerning discipline, suspension or expulsion of a pupil is not subject to title 38, chapter 3, article 3.1, except that the governing board of a school district shall post regular notice and shall take minutes of any hearing held by the governing board concerning the discipline, suspension or expulsion of a pupil.

B. The governing board of any school district, in consultation with the teachers and parents of the school district, shall prescribe rules for the discipline, suspension and expulsion of pupils. The rules shall be consistent with the constitutional rights of pupils and shall include at least the following:

1. Penalties for excessive pupil absenteeism pursuant to section 15-803, including failure in a subject, failure to pass a grade, suspension or expulsion.

2. Procedures for the use of corporal punishment if allowed by the governing board.

3. Procedures for the reasonable use of physical force by certificated or classified personnel in self-defense, defense of others and defense of property.

4. Procedures for dealing with pupils who have committed or who are believed to have committed a crime.

5. A notice and hearing procedure for cases concerning the suspension of a pupil for more than ten days.

6. Procedures and conditions for readmission of a pupil who has been expelled or suspended for more than ten days.

7. Procedures for appeal to the governing board of the suspension of a pupil for more than ten days, if the decision to suspend the pupil was not made by the governing board.

8. Procedures for appeal of the recommendation of the hearing officer or officers designated by the board as provided in subsection F of this section at the time the board considers the recommendation.

C. Penalties adopted pursuant to subsection B, paragraph 1 of this section for excessive absenteeism shall not be applied to pupils who have completed the course requirements and whose absence from school is due solely to illness, disease or accident as certified by a person who is licensed pursuant to title 32, chapter 7, 13, 15 or 17.

1 D. The governing board shall:

2 1. Support and assist teachers in the implementation and enforcement
3 of the rules prescribed pursuant to subsection B of this section.

4 2. Develop procedures allowing teachers and principals to recommend
5 the suspension or expulsion of pupils.

6 3. Develop procedures allowing teachers and principals to temporarily
7 remove disruptive pupils from a class.

8 4. Delegate to the principal the authority to remove a disruptive
9 pupil from the classroom.

10 E. If a pupil withdraws from school after receiving notice of possible
11 action concerning discipline, expulsion or suspension, the governing board
12 may continue with the action after the withdrawal and may record the results
13 of such action in the pupil's permanent file.

14 F. In all action concerning the expulsion of a pupil, the governing
15 board of a school district shall:

16 1. Be notified of the intended action.

17 2. EITHER:

18 (a) Decide, in executive session, whether to hold a hearing or to
19 designate one or more hearing officers to hold a hearing to hear the
20 evidence, prepare a record and bring a recommendation to the board for action
21 and whether the hearing shall be held in executive session.

22 (b) PROVIDE BY POLICY OR VOTE AT ITS ANNUAL ORGANIZATIONAL MEETING
23 THAT ALL HEARINGS CONCERNING THE EXPULSION OF A PUPIL CONDUCTED PURSUANT TO
24 THIS SECTION WILL BE CONDUCTED BEFORE A HEARING OFFICER SELECTED FROM A LIST
25 OF HEARING OFFICERS APPROVED BY THE GOVERNING BOARD.

26 3. Give written notice, at least five working days ~~prior to~~ BEFORE the
27 hearing by the governing board or the hearing officer or officers designated
28 by the governing board, to all pupils subject to expulsion and their parents
29 or guardians of the date, time and place of the hearing. If the governing
30 board decides that the hearing is to be held in executive session, the
31 written notice shall include a statement of the right of the parents or
32 guardians or an emancipated pupil who is subject to expulsion to object to
33 the governing board's decision to have the hearing held in executive session.
34 Objections shall be made in writing to the governing board.

35 G. If a parent or guardian or an emancipated pupil who is subject to
36 expulsion disagrees that the hearing should be held in executive session, it
37 shall be held in an open meeting unless:

38 1. If only one pupil is subject to expulsion and disagreement exists
39 between that pupil's parents or guardians, the governing board, after
40 consultations with the pupil's parents or guardians or the emancipated pupil,
41 shall decide in executive session whether the hearing will be in executive
42 session.

43 2. If more than one pupil is subject to expulsion and disagreement
44 exists between the parents or guardians of different pupils, ~~then~~ separate
45 hearings shall be held subject to ~~the provisions of~~ this section.

1 H. This section does not prevent the pupil who is subject to expulsion
 2 or suspension, and the pupil's parents or guardians and legal counsel, from
 3 attending any executive session pertaining to the proposed disciplinary
 4 action, from having access to the minutes and testimony of the executive
 5 session or from recording the session at the parent's or guardian's expense.

6 I. In schools employing a superintendent or a principal, the authority
 7 to suspend a pupil from school is vested in the superintendent, principal or
 8 other school officials granted this power by the governing board of the
 9 school district.

10 J. In schools that do not have a superintendent or principal, a
 11 teacher may suspend a pupil from school.

12 K. In all cases of suspension, it shall be for good cause and shall be
 13 reported within five days to the governing board by the superintendent or the
 14 person imposing the suspension.

15 ~~L. A teacher who fails to comply with this section is guilty of~~
 16 ~~unprofessional conduct and the teacher's certificate may be revoked.~~

17 ~~M.~~ L. The principal of each school shall ~~insure~~ ENSURE that a copy of
 18 all rules pertaining to discipline, suspension and expulsion of pupils is
 19 distributed to the parents of each pupil at the time the pupil is enrolled in
 20 school.

21 ~~N.~~ M. The principal of each school shall ensure that all rules
 22 pertaining to the discipline, suspension and expulsion of pupils are
 23 communicated to students at the beginning of each school year, and to
 24 transfer students at the time of their enrollment in the school.

25 Sec. 9. Section 15-1152, Arizona Revised Statutes, is amended to read:

26 15-1152. School meal programs; nonschool meal programs; powers
 27 of state board of education

28 The state board of education may enter into agreements with an agency
 29 of the federal government, a governing board or another agency or person,
 30 direct the disbursement of federal and state monies in accordance with
 31 ~~provisions of~~ federal and state law, direct the distribution of commodities
 32 as provided by federal and state law, prescribe regulations, employ
 33 personnel, give technical advice and assistance to governing boards in
 34 connection with establishment and operation of school meal programs, assist
 35 in training personnel engaged in operation of school meal programs and take
 36 other action it deems necessary to provide for the establishment and
 37 maintenance of school meal programs. The state board of education and the
 38 governing boards may also accept gifts for use in connection with a school
 39 meal program. Agreements entered into pursuant to this section are exempt
 40 from ~~the provisions of~~ section 11-952, ~~subsections~~ SUBSECTION D and ~~F~~. The
 41 form to be used in the agreements shall be approved annually by the attorney
 42 general ~~prior to~~ BEFORE its use in such agreements. The department of
 43 education shall file with the secretary of state by January 1 one blank copy
 44 of the agreement form and a list of the agencies with which the department
 45 entered agreements during the preceding year.

1 Sec. 10. Section 15-1224, Arizona Revised Statutes, is amended to
2 read:

3 15-1224. Grants to teachers for instruction

4 A. The governing board shall deposit in a separate bank account grants
5 or gifts ~~which~~ THAT are less than one thousand five hundred dollars and
6 designated for use by a teacher for instructional purposes if the governing
7 board does not deposit the grant or gift as prescribed in section 15-341,
8 subsection A, paragraph ~~15~~ 14.

9 B. A separate record shall be maintained for each grant or gift
10 deposited in the bank account.

11 C. Disbursements from the bank account shall be by check signed by two
12 employees of the school district appointed by the governing board and shall
13 be authorized by the teacher designated to use the grant or gift as provided
14 in the uniform system of financial records.

15 D. If any of the monies are not spent before the end of the fiscal
16 year in which the gift or grant was accepted, the balance of the monies shall
17 remain in the bank account until needed for instructional purposes as
18 designated by the teacher, or determined by the grantor.

19 Sec. 11. Section 15-2002, Arizona Revised Statutes, is amended to
20 read:

21 15-2002. Powers and duties; executive director; staffing;
22 report

23 A. The school facilities board shall:

24 1. Make assessments of school facilities and equipment deficiencies
25 and approve the distribution of grants as appropriate.

26 2. Develop a database for administering the building renewal formula
27 prescribed in section 15-2031 and administer the distribution of monies to
28 school districts for building renewal.

29 3. Inspect school buildings at least once every five years to ensure
30 compliance with the building adequacy standards prescribed in section 15-2011
31 and routine preventative maintenance guidelines as prescribed in this section
32 with respect to construction of new buildings and maintenance of existing
33 buildings. The school facilities board shall randomly select twenty school
34 districts every thirty months and inspect them pursuant to this paragraph.

35 4. Review and approve student population projections submitted by
36 school districts to determine to what extent school districts are entitled to
37 monies to construct new facilities pursuant to section 15-2041. The board
38 shall make a final determination within six months of the receipt of an
39 application by a school district for monies from the new school facilities
40 fund.

41 5. Certify that plans for new school facilities meet the building
42 adequacy standards prescribed in section 15-2011.

43 6. Develop prototypical elementary and high school designs. The board
44 shall review the design differences between the schools with the highest
45 academic productivity scores and the schools with the lowest academic

1 productivity scores. The board shall also review the results of a valid and
2 reliable survey of parent quality rating in the highest performing schools
3 and the lowest performing schools in this state. The survey of parent
4 quality rating shall be administered by the department of education. The
5 board shall consider the design elements of the schools with the highest
6 academic productivity scores and parent quality ratings in the development of
7 elementary and high school designs. The board shall develop separate school
8 designs for elementary, middle and high schools with varying pupil
9 capacities.

10 7. Develop application forms, reporting forms and procedures to carry
11 out the requirements of this article.

12 8. Review and approve or reject requests submitted by school districts
13 to take actions pursuant to section 15-341, subsection F.

14 9. Submit an annual report by December 15 to the speaker of the house
15 of representatives, the president of the senate, the superintendent of public
16 instruction, the director of the Arizona state library, archives and public
17 records and the governor that includes the following information:

18 (a) A detailed description of the amount of monies distributed by the
19 school facilities board in the previous fiscal year.

20 (b) A list of each capital project that received monies from the
21 school facilities board during the previous fiscal year, a brief description
22 of each project that was funded and a summary of the board's reasons for the
23 distribution of monies for the project.

24 (c) A summary of the findings and conclusions of the building
25 maintenance inspections conducted pursuant to this article during the
26 previous fiscal year.

27 (d) A summary of the findings of common design elements and
28 characteristics of the highest performing schools and the lowest performing
29 schools based on academic productivity, including the results of the parent
30 quality rating survey. For the purposes of this subdivision, "academic
31 productivity" means academic year advancement per calendar year as measured
32 with student-level data using the statewide nationally standardized
33 norm-referenced achievement test.

34 10. By December 1 of each year, report to the joint committee on
35 capital review the amounts necessary to fulfill the requirements of sections
36 15-2022, 15-2031 and 15-2041 for the following fiscal year and the estimated
37 amounts necessary to fulfill the requirements of sections 15-2022, 15-2031
38 and 15-2041 for the fiscal year following the next fiscal year. The board
39 shall provide copies of the report to the president of the senate, the
40 speaker of the house of representatives and the governor.

41 11. Adopt minimum school facility adequacy guidelines to provide the
42 minimum quality and quantity of school buildings and the facilities and
43 equipment necessary and appropriate to enable pupils to achieve the
44 educational goals of the Arizona state schools for the deaf and the blind.
45 The school facilities board shall establish minimum school facility adequacy

1 guidelines applicable to the Arizona state schools for the deaf and the
2 blind.

3 12. In each even-numbered year, report to the joint committee on
4 capital review the amounts necessary to fulfill the requirements of sections
5 15-2031 and 15-2041 for the Arizona state schools for the deaf and the blind
6 for the following two fiscal years. The Arizona state schools for the deaf
7 and the blind shall incorporate the findings of the report in any request for
8 building renewal monies and new school facilities monies. Any monies
9 provided to the Arizona state schools for the deaf and the blind for building
10 renewal and for new school facilities are subject to legislative
11 appropriation.

12 13. By June 15 of each year, submit detailed information regarding
13 demographic assumptions, a proposed construction schedule and new school
14 construction cost estimates for individual projects approved in the current
15 fiscal year and expected project approvals for the upcoming fiscal year to
16 the joint committee on capital review for its review. A copy of the report
17 shall also be submitted to the governor's office of strategic planning and
18 budgeting. The joint legislative budget committee staff, the governor's
19 office of strategic planning and budgeting staff and the school facilities
20 board staff shall agree on the format of the report.

21 14. Every two years, provide school districts with information on
22 improving and maintaining the indoor environmental quality in school
23 buildings.

24 B. The school facilities board may contract for private services in
25 compliance with the procurement practices prescribed in title 41, chapter 23.

26 C. The governor shall appoint an executive director of the school
27 facilities board pursuant to section 38-211. The executive director is
28 eligible to receive compensation as determined pursuant to section 38-611 and
29 may hire and fire necessary staff as approved by the legislature in the
30 budget. The executive director shall have demonstrated competency in school
31 finance, facilities design or facilities management, either in private
32 business or government service. The executive director serves at the
33 pleasure of the governor. The staff of the school facilities board is exempt
34 from title 41, chapter 4, articles 5 and 6. The executive director:

35 1. Shall analyze applications for monies submitted to the board by
36 school districts.

37 2. Shall assist the board in developing forms and procedures for the
38 distribution and review of applications and the distribution of monies to
39 school districts.

40 3. May review or audit, or both, the expenditure of monies by a school
41 district for deficiencies corrections, building renewal and new school
42 facilities.

43 4. Shall assist the board in the preparation of the board's annual
44 report.

1 5. Shall research and provide reports on issues of general interest to
2 the board.

3 6. May aid school districts in the development of reasonable and
4 cost-effective school designs in order to avoid statewide duplicated efforts
5 and unwarranted expenditures in the area of school design.

6 7. May assist school districts in facilitating the development of
7 multijurisdictional facilities.

8 8. Shall assist the board in any other appropriate matter or method as
9 directed by the members of the board.

10 9. Shall establish procedures to ensure compliance with the notice and
11 hearing requirements prescribed in section 15-905. The notice and hearing
12 procedures adopted by the board shall include the requirement, with respect
13 to the board's consideration of any application filed after July 1, 2001 or
14 after December 31 of the year in which the property becomes territory in the
15 vicinity of a military airport or ancillary military facility as defined in
16 section 28-8461 for monies to fund the construction of new school facilities
17 proposed to be located in territory in the vicinity of a military airport or
18 ancillary military facility, that the military airport receive notification
19 of the application by first class mail at least thirty days before any
20 hearing concerning the application.

21 10. May expedite any request for monies in which the local match was
22 not obtained for a project that received preliminary approval by the state
23 board for school capital facilities.

24 11. Shall expedite any request for monies in which the school district
25 governing board submits an application that shows an immediate need for a new
26 school facility.

27 12. Shall make a determination as to administrative completion within
28 one month after the receipt of an application by a school district for monies
29 from the new school facilities fund.

30 13. Shall provide technical support to school districts as requested by
31 school districts in connection with the construction of new school facilities
32 and the maintenance of existing school facilities.

33 D. When appropriate, the school facilities board shall review and use
34 the statewide school facilities inventory and needs assessment conducted by
35 the joint committee on capital review and issued in July, 1995.

36 E. The school facilities board shall contract with one or more private
37 building inspectors to complete an initial assessment of school facilities
38 and equipment and shall inspect each school building in this state at least
39 once every five years to ensure compliance with section 15-2011. A copy of
40 the inspection report, together with any recommendations for building
41 maintenance, shall be provided to the school facilities board and the
42 governing board of the school district.

43 F. The school facilities board may consider appropriate combinations
44 of facilities or uses in making assessments of and curing deficiencies
45 pursuant to subsection A, paragraph 1 of this section and in certifying plans

1 for new school facilities pursuant to subsection A, paragraph 5 of this
2 section.

3 G. The board shall not award any monies to fund new facilities that
4 are financed by class A bonds that are issued by the school district.

5 H. The board shall not distribute monies to a school district for
6 replacement or repair of facilities if the costs associated with the
7 replacement or repair are covered by insurance or a performance or payment
8 bond.

9 I. The board may contract for construction services and materials that
10 are necessary to correct existing deficiencies in school district facilities.
11 The board may procure the construction services necessary pursuant to this
12 subsection by any method, including construction-manager-at-risk,
13 design-build, design-bid-build or job-order-contracting as provided by title
14 41, chapter 23. The construction planning and services performed pursuant to
15 this subsection are exempt from section 41-791.01.

16 J. The school facilities board may enter into agreements with school
17 districts to allow school facilities board staff and contractors access to
18 school property for the purposes of performing the construction services
19 necessary pursuant to subsection I of this section.

20 K. Each school district shall develop routine preventative maintenance
21 guidelines for its facilities. The guidelines shall be submitted to the
22 school facilities board for review and approval. If upon inspection by the
23 school facilities board it is determined that a school district facility was
24 inadequately maintained pursuant to the school district's routine
25 preventative maintenance guidelines, the school district shall use building
26 renewal monies pursuant to section 15-2031, subsection L to return the
27 building to compliance with the school district's routine preventative
28 maintenance guidelines. Once the district is in compliance, it no longer is
29 required to use building renewal monies for preventative maintenance.

30 L. The school facilities board may temporarily transfer monies between
31 the capital reserve fund established by section 15-2003, the emergency
32 deficiencies correction fund established by section 15-2022, the building
33 renewal fund established by section 15-2031 and the new school facilities
34 fund established by section 15-2041 if all of the following conditions are
35 met:

36 1. The transfer is necessary to avoid a temporary shortfall in the
37 fund into which the monies are transferred.

38 2. The transferred monies are restored to the fund where the monies
39 originated as soon as practicable after the temporary shortfall in the other
40 fund has been addressed.

41 3. The school facilities board reports to the joint committee on
42 capital review the amount of and the reason for any monies transferred.
43

1 Sec. 12. Section 38-232, Arizona Revised Statutes, is amended to read:

2 38-232. Time of oath

3 When a different time is not prescribed, the oath of office shall be
4 taken, ~~AND~~ subscribed ~~and filed~~ as follows:

5 1. If appointed, at ~~least one day~~ OR before commencement of the term
6 of office.

7 2. If elected, at any time after receiving the officer's certificate
8 of election, and at ~~least one day~~ OR before commencement of the term of
9 office.

10 Sec. 13. Section 41-1232.04, Arizona Revised Statutes, is amended to
11 read:

12 41-1232.04. Registration; exceptions

13 Sections 41-1232, ~~and~~ 41-1232.01, 41-1232.02 AND 41-1232.03 do not
14 apply to a person if that person is acting in the following capacity:

15 1. A natural person who merely appears for himself before a committee
16 of the legislature or before a state officer or employee or a state agency,
17 board, commission or council to lobby in support of or in opposition to
18 legislation or official action.

19 2. A natural person who, acting in his own behalf, sends a letter to,
20 converses on the telephone with or has a personal conversation with a state
21 officer or employee for the purpose of supporting or opposing any legislation
22 or official action.

23 3. A duly elected or retained public official, judge or justice, ~~an~~
24 ~~individual~~ A PERSON duly appointed to an elective public office, or an
25 appointed member of a state, county or local board, advisory committee,
26 commission or council acting in his official capacity on matters pertaining
27 to his office, board, advisory committee, commission or council.

28 4. A person who answers technical questions or provides technical
29 information at the request of a lobbyist, designated public lobbyist,
30 authorized public lobbyist or legislator and who makes no expenditures
31 required to be reported by this article.

32 5. A person who performs professional services in drafting bills or in
33 advising and rendering opinions to clients as to the construction and effect
34 of proposed or pending legislation.

35 6. An attorney who represents clients before any court or before any
36 quasi-judicial body.

37 7. A person who contacts a state officer or state employee solely for
38 the purpose of acquiring information.

39 8. A person who contacts a state officer, ~~or~~ state employee, SCHOOL
40 DISTRICT GOVERNING BOARD MEMBER OR SCHOOL DISTRICT EMPLOYEE in connection
41 with the procurement or attempted procurement of, OR THE FULFILLMENT OF
42 CONTRACTS FOR, materials, services or construction. FOR THE PURPOSES OF THIS
43 PARAGRAPH, SERVICES INCLUDE BONDING SERVICES.

44 9. A natural person who is a member of an association ~~and~~, who is not
45 the lobbyist for compensation, designated lobbyist or authorized lobbyist for

1 the association and who does not make any expenditures that would otherwise
2 be required to be reported by this article if the natural person were a
3 lobbyist, designated public lobbyist or authorized public lobbyist.

4 Sec. 14. Section 41-1272, Arizona Revised Statutes, is amended to
5 read:

6 41-1272. Powers and duties: finances

7 A. The joint legislative budget committee shall:

8 1. Ascertain facts and make recommendations to the legislature
9 relating to the state budget, revenues and expenditures of the state, future
10 fiscal needs, the organization and functions of state agencies or their
11 divisions and such other matters incident to the above functions as may be
12 provided for by rules of the joint legislative budget committee.

13 2. Implement a system of fiscal notes to apply to those bills
14 introduced in the legislature that have a fiscal impact. These fiscal notes
15 shall also reflect the fiscal impact of legislation on cities, counties and
16 all other political subdivisions of the state.

17 3. Implement a system of fiscal notes for any rule as defined by
18 section 41-1001 ~~which~~ THAT has a fiscal impact.

19 4. Analyze the state tax structure, tax burdens on individuals and
20 businesses and tax incentives for existing and prospective businesses. The
21 analyses shall include:

22 (a) Projection of the impact of industry specific tax incentive
23 proposals on the state revenue base.

24 (b) Comparison among states of relative tax burdens on existing and
25 prospective businesses.

26 (c) Determination of reliance and incidence aspects of the tax
27 structure of this state.

28 5. Implement a system of fiscal analysis that applies to those bills
29 introduced in the legislature that involve one or more proposed changes in
30 the tax laws. Unless it is unreasonable to do so, the fiscal analysis shall
31 be based on assumptions that estimate the probable behavioral response of
32 taxpayers, businesses and other citizens and shall include within the
33 analysis a statement identifying those assumptions.

34 6. PREPARE A FISCAL NOTE ON ANY BILL INTRODUCED IN THE LEGISLATURE
35 THAT IMPOSES A NEW FISCAL IMPACT ON PUBLIC SCHOOLS IN THIS STATE.

36 ~~6-~~ 7. Adopt rules.

37 B. The joint legislative budget committee may:

38 1. Make studies, conduct inquiries and investigations and hold
39 hearings.

40 2. Meet and conduct its business any place within the state during the
41 sessions of the legislature or any recess of the legislature and in the
42 period when the legislature is not in session.

43 3. Establish subcommittees from the membership of the legislature and
44 assign to such subcommittee any study, inquiry, investigation or hearing with

1 the right to call witnesses ~~which~~ THAT the joint legislative budget committee
2 has authority to undertake.

3 C. The joint legislative budget committee shall have the powers
4 conferred by law ~~upon~~ ON legislative committees.

5 D. Members of the joint legislative budget committee shall be
6 reimbursed by their respective houses in the same manner as is provided by
7 law for a member of the legislature who attends a duly called meeting of a
8 standing committee.

9 Sec. 15. Section 41-2632, Arizona Revised Statutes, is amended to
10 read:

11 41-2632. Cooperative purchasing authorized

12 A. Any public procurement unit may either participate in, sponsor,
13 conduct or administer a cooperative purchasing agreement for the procurement
14 of any materials, services or construction with one or more public
15 procurement units in accordance with an agreement entered into between the
16 participants. A nonprofit educational or public health institution may enter
17 into an agreement pursuant to this section if one or more of the parties
18 involved is a public procurement unit. An agreement entered into as provided
19 in this article is exempt from section 11-952, ~~subsections~~ SUBSECTION D
20 ~~and F~~. Parties under a cooperative purchasing agreement may:

21 1. Sponsor, conduct or administer a cooperative agreement for the
22 procurement or disposal of any materials, services or construction.

23 2. Cooperatively use materials or services.

24 3. Commonly use or share warehousing facilities, capital equipment and
25 other facilities.

26 4. Provide personnel, except that the requesting public procurement
27 unit shall pay the public procurement unit providing the personnel the direct
28 and indirect cost of providing the personnel, in accordance with the
29 agreement.

30 5. On request, make available to other public procurement units
31 informational, technical or other services or software that may assist in
32 improving the efficiency or economy of procurement. The public procurement
33 unit furnishing the informational, technical or other services or software
34 has the right to request reimbursement for the reasonable and necessary costs
35 of providing these services or software.

36 B. The school facilities board or school districts, or both, may enter
37 into an agreement with a public procurement unit pursuant to this section for
38 the purpose of procuring materials and services needed to correct
39 deficiencies in school facilities ~~as determined in section 15-2021~~.

40 C. The activities described in this section do not limit what parties
41 may do under a cooperative purchasing agreement.

42 D. A nonprofit corporation operating as a public procurement unit
43 under this section, on request of the auditor general, shall provide to the
44 auditor general all documentation concerning any cooperative purchasing
45 transaction the public procurement unit administers under this section.

1 E. A nonprofit corporation operating as a public procurement unit
2 under this section shall comply with all procurement laws applicable to the
3 public procurement unit participating in a cooperative purchasing transaction
4 that the nonprofit corporation administers.

5 F. This section does not abrogate the responsibility of each public
6 procurement unit to ensure compliance with procurement laws that apply to the
7 particular public procurement, notwithstanding the fact that the cooperative
8 purchase is administered by a nonprofit corporation operating under this
9 section.

10 Sec. 16. Section 43-1089.02, Arizona Revised Statutes, is amended to
11 read:

12 43-1089.02. Credit for donation of school site

13 A. A credit is allowed against the taxes imposed by this title in the
14 amount of thirty per cent of the value of real property and improvements
15 donated by the taxpayer to a school district or a charter school for use as a
16 school or as a site for the construction of a school.

17 B. To qualify for the credit:

18 1. The real property and improvements must be located in this state.

19 2. The real property and improvements must be conveyed unencumbered
20 and in fee simple, except that:

21 (a) The conveyance must include as a deed restriction and protective
22 covenant running with title to the land the requirement that as long as the
23 donee holds title to the property the property shall only be used as a school
24 or as a site for the construction of a school, subject to subsection I or J
25 of this section.

26 (b) In the case of a donation to a charter school, the donor shall
27 record a lien on the property as provided by subsection J, paragraph 3 of
28 this section.

29 3. The conveyance shall not violate ~~section 15-341, subsection D and~~
30 ~~section 15-183, subsection V~~ U.

31 C. For purposes of this section, the value of the donated property is
32 the property's fair market value as determined in an appraisal as defined in
33 section 32-3601 that is conducted by an independent party and that is paid
34 for by the donee.

35 D. If the property is donated by co-owners, including partners in a
36 partnership and shareholders of an S corporation, as defined in section 1361
37 of the internal revenue code, each donor may claim only the pro rata share of
38 the allowable credit under this section based on the ownership interest. If
39 the property is donated by a husband and wife who file separate returns for a
40 taxable year in which they could have filed a joint return, they may
41 determine between them the share of the credit each will claim. The total of
42 the credits allowed all co-owner donors may not exceed the allowable credit.

43 E. If the allowable tax credit exceeds the taxes otherwise due under
44 this title on the claimant's income, or if there are no taxes due under this
45 title, the taxpayer may carry the amount of the claim not used to offset the

1 taxes under this title forward for not more than five consecutive taxable
2 years' income tax liability.

3 F. The credit under this section is in lieu of any deduction pursuant
4 to section 170 of the internal revenue code taken for state tax purposes.

5 G. On written request by the donee, the donor shall disclose in
6 writing to the donee the amount of the credit allowed pursuant to this
7 section with respect to the property received by the donee.

8 H. A school district or charter school may refuse the donation of any
9 property for purposes of this section.

10 I. If the donee is a school district:

11 1. The district shall notify the school facilities board established
12 by section 15-2001 and furnish the board with any information the board
13 requests regarding the donation. A school district shall not accept a
14 donation pursuant to this section unless the school facilities board has
15 reviewed the proposed donation and has issued a written determination that
16 the real property and improvements are suitable as a school site or as a
17 school. The school facilities board shall issue a determination that the
18 real property and improvements are not suitable as a school site or as a
19 school if the expenses that would be necessary to make the property suitable
20 as a school site or as a school exceed the value of the proposed donation.

21 2. The district may sell any donated property pursuant to section
22 15-342, but the proceeds from the sale shall only be used for capital
23 projects. The school facilities board shall withhold an amount that
24 corresponds to the amount of the proceeds from any monies that would
25 otherwise be due the school district from the school facilities board
26 pursuant to section 15-2041.

27 J. If the donee is a charter school:

28 1. The charter school shall:

29 (a) Immediately notify the sponsor of the charter school by certified
30 mail and shall furnish the sponsor with any information requested by the
31 sponsor regarding the donation during the ten year period after the
32 conveyance is recorded.

33 (b) Notify the sponsor by certified mail, and the sponsor shall notify
34 the state treasurer, in the event of the charter school's financial failure
35 or if the charter school:

36 (i) Fails to establish a charter school on the property within
37 forty-eight months after the conveyance is recorded.

38 (ii) Fails to provide instruction to pupils on the property within
39 forty-eight months after the conveyance is recorded.

40 (iii) Establishes a charter school on the property but subsequently
41 ceases to operate the charter school on the property for twenty-four
42 consecutive months or fails to provide instruction to pupils on the property
43 for twenty-four consecutive months.

44 2. The charter school, or a successor in interest, shall pay to the
45 state treasurer the amount of the credit allowed under this section, or if

1 that amount is unknown, the amount of the allowable credit under this
 2 section, if any of the circumstances listed in paragraph 1, subdivision (b)
 3 of this subsection ~~occur~~ OCCURS. If the amount is not paid within one year
 4 after the treasurer receives notice under paragraph 1, subdivision (b) of
 5 this subsection, a penalty and interest shall be added, determined pursuant
 6 to title 42, chapter 1, article 3.

7 3. A tax credit under this section constitutes a lien on the property,
 8 which the donor must record along with the title to the property to qualify
 9 for the credit. The amount of the lien is the amount of the allowable credit
 10 under this section, adjusted according to the average change in the GDP price
 11 deflator, as defined in section 41-563, for each calendar year since the
 12 donation, but not exceeding twelve and one-half per cent more than the
 13 allowable credit. The lien is subordinate to any liens securing the
 14 financing of the school construction. The lien is extinguished on the
 15 earliest of the following:

16 (a) Ten years after the lien is recorded. After that date, the
 17 charter school, or a successor in interest, may request the state treasurer
 18 to release the lien.

19 (b) On payment to the state treasurer by the donee charter school, or
 20 by a successor in interest, of the amount of the allowable credit under this
 21 section, either voluntarily or as required by paragraph 2 of this subsection.
 22 After the required amount is paid, the charter school or successor in
 23 interest may request the state treasurer to release the lien.

24 (c) On conveyance of fee simple title to the property to a school
 25 district.

26 (d) On enforcement and satisfaction of the lien pursuant to paragraph
 27 4 of this subsection.

28 4. The state treasurer shall enforce the lien by foreclosure within
 29 one year after receiving notice of any of the circumstances described in
 30 paragraph 1, subdivision (b) of this subsection.

31 5. Subject to paragraphs 3 and 4 of this subsection, the charter
 32 school may sell any donated property.

33 Sec. 17. Section 43-1181, Arizona Revised Statutes, is amended to
 34 read:

35 43-1181. Credit of donation of school site

36 A. A credit is allowed against the taxes imposed by this title in the
 37 amount of thirty per cent of the value of real property and improvements
 38 donated by the taxpayer to a school district or a charter school for use as a
 39 school or as a site for the construction of a school.

40 B. To qualify for the credit:

41 1. The real property and improvements must be located in this state.

42 2. The real property and improvements must be conveyed unencumbered
 43 and in fee simple except that:

44 (a) The conveyance must include as a deed restriction and protective
 45 covenant running with title to the land the requirement that as long as the

donee holds title to the property the property shall only be used as a school or as a site for the construction of a school, subject to subsection I or J of this section.

(b) In the case of a donation to a charter school, the donor shall record a lien on the property as provided by subsection J, paragraph 3 of this section.

3. The conveyance shall not violate ~~section 15-341, subsection D or~~ section 15-183, subsection U.

C. For the purposes of this section, the value of the donated property is the property's fair market value as determined in an appraisal as defined in section 32-3601 that is conducted by an independent party and that is paid for by the donee.

D. If the property is donated by co-owners, including corporate partners in a partnership, each donor may claim only the pro rata share of the allowable credit under this section based on the ownership interest. The total of the credits allowed all co-owner donors may not exceed the allowable credit.

E. If the allowable tax credit exceeds the taxes otherwise due under this title on the claimant's income, or if there are no taxes due under this title, the taxpayer may carry the amount of the claim not used to offset the taxes under this title forward for not more than five consecutive taxable years' income tax liability.

F. The credit under this section is in lieu of any deduction pursuant to section 170 of the internal revenue code taken for state tax purposes.

G. On written request by the donee, the donor shall disclose in writing to the donee the amount of the credit allowed pursuant to this section with respect to the property received by the donee.

H. A school district or charter school may refuse the donation of any property for purposes of this section.

I. If the donee is a school district:

1. The district shall notify the school facilities board established by section 15-2001 and furnish the board with any information the board requests regarding the donation. A school district shall not accept a donation pursuant to this section unless the school facilities board has reviewed the proposed donation and has issued a written determination that the real property and improvements are suitable as a school site or as a school. The school facilities board shall issue a determination that the real property and improvements are not suitable as a school site or as a school if the expenses that would be necessary to make the property suitable as a school site or as a school exceed the value of the proposed donation.

2. The district may sell any donated property pursuant to section 15-342, but the proceeds from the sale shall only be used for capital projects. The school facilities board shall withhold an amount that corresponds to the amount of the proceeds from any monies that would

1 otherwise be due the school district from the school facilities board
2 pursuant to section 15-2041.

3 J. If the donee is a charter school:

4 1. The charter school shall:

5 (a) Immediately notify the sponsor of the charter school by certified
6 mail and shall furnish the sponsor with any information requested by the
7 sponsor regarding the donation during the ten year period after the
8 conveyance is recorded.

9 (b) Notify the sponsor by certified mail, and the sponsor shall notify
10 the state treasurer, in the event of the charter school's financial failure
11 or if the charter school:

12 (i) Fails to establish a charter school on the property within
13 forty-eight months after the conveyance is recorded.

14 (ii) Fails to provide instruction to pupils on the property within
15 forty-eight months after the conveyance is recorded.

16 (iii) Establishes a charter school on the property but subsequently
17 ceases to operate the charter school on the property for twenty-four
18 consecutive months or fails to provide instruction to pupils on the property
19 for twenty-four consecutive months.

20 2. The charter school, or a successor in interest, shall pay to the
21 state treasurer the amount of the credit allowed under this section, or if
22 that amount is unknown, the amount of the allowable credit under this
23 section, if any of the circumstances listed in paragraph 1, subdivision (b)
24 of this subsection ~~occur~~ OCCURS. If the amount is not paid within one year
25 after the treasurer receives notice under paragraph 1, subdivision (b) of
26 this subsection, a penalty and interest shall be added, determined pursuant
27 to title 42, chapter 1, article 3.

28 3. A tax credit under this section constitutes a lien on the property,
29 which the donor must record along with the title to the property to qualify
30 for the credit. The amount of the lien is the amount of the allowable credit
31 under this section, adjusted according to the average change in the GDP price
32 deflator, as defined in section 41-563, for each calendar year since the
33 donation, but not exceeding twelve and one-half per cent more than the
34 allowable credit. The lien is subordinate to any liens securing the
35 financing of the school construction. The lien is extinguished on the
36 earliest of the following:

37 (a) Ten years after the lien is recorded. After that date, the
38 charter school, or a successor in interest, may request the state treasurer
39 to release the lien.

40 (b) On payment to the state treasurer by the donee charter school, or
41 by a successor in interest, of the amount of the allowable credit under this
42 section, either voluntarily or as required by paragraph 2 of this subsection.
43 After the required amount is paid, the charter school or successor in
44 interest may request the state treasurer to release the lien.

1 (c) On conveyance of fee simple title to the property to a school
2 district.

3 (d) On enforcement and satisfaction of the lien pursuant to paragraph
4 4 of this subsection.

5 4. The state treasurer shall enforce the lien by foreclosure within
6 one year after receiving notice of any of the circumstances described in
7 paragraph 1, subdivision (b) of this subsection.

8 5. Subject to paragraphs 3 and 4 of this subsection, the charter
9 school may sell any donated property.

10 Sec. 18. Effective date

11 Section 11-952, Arizona Revised Statutes, as amended by Laws 2005,
12 chapter 273, section 3 and section 2 of this act, is effective from and after
13 December 31, 2009.